

2024

REPORT OF THE ANTI-
CORRUPTION TASK FORCE
ON REVIEW OF
INSTITUTIONAL
FRAMEWORK OF ANTI-
CORRUPTION IN PAKISTAN

MINISTRY OF LAW AND JUSTICE
GOVERNMENT OF PAKISTAN



Introduction

The Ministry of Law and Justice was tasked to undertake a comprehensive review of the institutional framework of our anticorruption institutions (including the National Accountability Bureau) to enhance their independence and effectiveness in investigating and prosecuting corruption cases, with proposals for legislative amendments as appropriate, with participation and inputs from reputable independent experts with international experience and civil society organizations. This Division notified an inclusive taskforce for the aforesaid purpose comprising of legal practitioners from all four provinces, senior officers from the Anti-Corruption watchdogs, members from development sector, NGO's, former UN envoys and a retired Judge of the Supreme Court of Pakistan.

The following report conducts an extensive review of Pakistan's Anti-Corruption Institutions, the report has been segmented to analyze the three facets of Corruption, and the first part looks at the institutional frameworks in place of NAB, FIA, and provincial ACEs in countering the offences of Corruption and Corrupt practices by holders of Public Offices and the general public at large. The second part reviews the aspects of corporate fraud / embezzlement, abuse of dominant position and lastly the third part deals with the proceeds of corruption and reviews the mechanism in place to counter money laundering and general financial monitoring.

The members of the taskforce showed resolve in eradicating the menace of corruption from its very roots and emphasized that the ibid exercise was not just for an academic purpose for onward transmission to the IMF but an opportunity for all the stakeholders to sit together, identify issues understands perspectives and deliberate on shortcomings of our in-vogue legal framework.

The report outlines latest available data, collates it with practical feedback, summarizes the deliberations of the taskforce, highlights responses received from all stakeholders and proposes recommendations in light of all the above.

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Acronyms

AML/CFT Anti-Money Laundering/Counter Financing of Terrorism

AMLA Anti-Money Laundering Act

ATA Anti-Terrorism Act

FAQ Frequently Asked Questions

FATF Financial Action Task Force

FIA Federal Investigation Agency

FMU Financial Monitoring Unit

FSL Forensics Science Laboratory

ML/TF Money Laundering/ Terrorist Financing

MOFA Ministry of Foreign Affairs

NACTA National Counter Terrorism Authority

SECP Securities and Exchange Commission of Pakistan

CCP Competition Commission of Pakistan

NAO National Accountability Ordinance, 1999

PPC Pakistan Penal Code, 1860

FIA Act Federal Investigation Agency Act, 1974

CRPC Code of Criminal Procedure, 1898

CV Complaint Verification Cell

CSM Complaint Scrutiny Meeting

IO's Investigation Officers

CVR Complaint Verification Report

CIT Combined Investigation Team

ACE Anti-Corruption Establishment

KPK Khyber Pakhtunkhwa

1. Composition of the Task Force

The Government of Pakistan *vide* notification dated 29.12.2022 constituted an Anti-Corruption Taskforce for review of institutional framework of anti-corruption institutions. On 29.02.2024 the Government of Pakistan co-opted the following members to the Task Force on Anti-Corruption Laws:

- | | | |
|--------|--|------------------|
| (i) | Mr. Azam Nazeer Tarar,
Minister for Law & Justice | Chairman |
| (ii) | Barrister Usman Ali Lali
Advisor for Law and Justice Division | Member/Secretary |
| (iii) | Director General Federal Investigation Agency | Member |
| (iv) | President of Institute of Chartered Accountant of Pakistan | Member |
| (v) | Additional Secretary Finance (External Finance Wing) | Member |
| (vi) | Director General Financial Monitoring Unit | Member |
| (vii) | Ashraf J. Qazi
Former Ambassador and United Nations Envoy | Member |
| (viii) | Mr. Akif Saeed
Chairman, SECP | Member |
| (ix) | Dr. Kabir Sidhu
Chairman, Competition Commission | Member |
| (x) | Ghulam Asghar Pathan
Joint Secretary, Sindh High Court Bar Association | Member |
| (xi) | Chairman (Anti-Corruption Establishment) Sindh | Member |
| (xii) | Director General (Anti-Corruption Establishment) Punjab | Member |
| (xiii) | Directorate General of Directorate of Enquiries and
Anti-Corruption Establishment Baluchistan | Member |
| (xiv) | Director General (Anti-Corruption Establishment) KPK | Member |
| (xv) | Barrister Ahsan Pirzada | Member |

- | | |
|---|--------|
| (xvi) Barrister Raheel Ahmed,
(NAB and Anti-Corruption Litigator) | Member |
| (xvii) Mr. Aamir Goraya Assistant Country Head UNDP | Member |
| (xviii) Mir Sher Baz Khetran
(Writer Researcher and Policy Advisor on Baluchistan) | Member |
| (xvii) Justice Athar Saeed
Former Judge of the Supreme Court | Member |

*Assisted by Komal Nadeem Ahmed
(Associate Lawyer, Ministry of Law and Justice)

2.

Terms of Reference

- i. Take inputs from reputable independent expert with international experience and civil society organizations.
- ii. Undertake a comprehensive review of the institutional framework of our anticorruption institutions (including the National Accountability Bureau) to enhance their independence and effectiveness in investigating and prosecuting corruption cases, with proposals for legislative amendments as appropriate.
- iii. The task force will also recommend as appropriate structural reform measures that strengthen independence of anti-corruption institutions, prevent political influence and persecution, and provide for transparency and accountability control against abuse (including mechanisms for discipline and accountability).
- iv. Consultations with other key stakeholders and the public will also be undertaken before the report of the task force is finalized.

3. A REVIEW OF THE INSTITUTIONAL FRAMEWORK OF PAKISTAN'S ANTI-CORRUPTION INSTITUTIONS

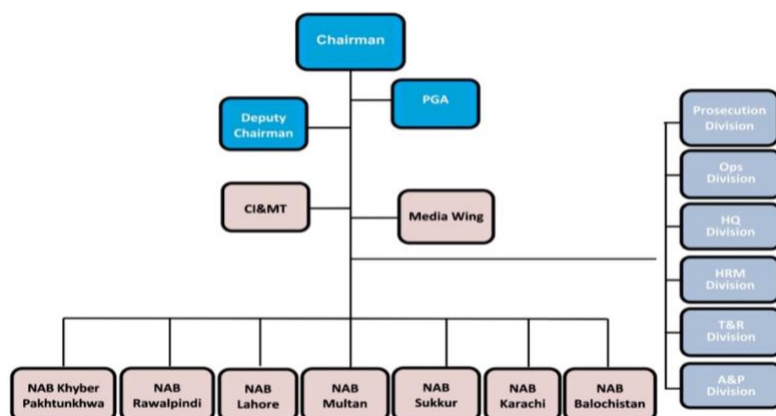
In Pakistan's legislative framework the offences of Corruption or Corrupt practices are predominantly dealt by three primary anti-corruption agencies: the National Accountability Bureau (NAB), the Federal Investigation Agency (FIA), and the Anti-Corruption Establishments (ACEs) established at the provincial level. These include ACE Punjab, ACE Sindh, ACE Baluchistan, and ACE Khyber Pakhtunkhwa.

(i) National Accountability Bureau

The National Accountability Bureau is Pakistan's apex anti-corruption organization. It operates under the National Accountability Ordinance, 1999 and is headquartered in Islamabad, it has seven regional offices in Karachi, Lahore, Peshawar, Quetta, Rawalpindi, Multan and Sukkur. It takes cognizance of all offences falling within the National Accountability Ordinance (NAO).

Organizational Structure

The following is the Organizational Structure of the Bureau.¹



¹ The diagrams, tables, and statistics referenced in (3)(i) of the report are sourced from the NAB report 2022.

NAB Operational Methodology

NAB's enforcement process, beginning with a complaint, progressing through inquiries and investigations to closure or reference filing in Accountability Courts, is overseen by the Operations Division at headquarters. The said wing guides Regional Bureaus on operational matters and liaises with government agencies and the superior judiciary through the Prosecution Division, especially in cases of national significance.

Complaints:

NAB initiates action upon receiving complaints under Section 18 of the NAO, 1999. Total number of complaints received in 2022 were 29386.

Category	NAB (L)	NAB (K)	NAB (KP)	NAB (B)	NAB (R)	NAB (M)	NAB (SK)	Total
Backlog/ Under Process as on 31-12-2021	590	2187	716	75	1217	133	2869	7787
Reconciled Backlog as on 01-01-2022*	597	2216	723	75	1278	134	2868	7891
Received during 2022	5527	3935	1853	424	4898	1609	3249	21495
Total	6124	6151	2576	499	6176	1743	6117	29386
Outcome of processed Complaints								
Total Processed	5995	5677	2473	477	5263	1623	4191	25699
Closed/ NFA	1451	2469	597	106	1011	367	2793	8794
Transferred to other Department / Agencies	1930	1368	953	190	1085	298	340	6164
Transfer to other RNABs	593	82	63	23	198	108	29	1096
Merged/Linked with Previous Complaints / A&P	1966	1637	703	69	2914	819	957	9065
Converted into CV/Inq/Invtg	55	121	157	89	55	31	72	580
Under Process	129	474	103	22	913	120	1926	3687

Complaint Verification

Complaint Verification Cells established at all Regional Bureaus are mandated with the scrutiny and analysis of the complaints. Subsequently, the complaints with recommendations are presented in Complaint Scrutiny Meeting (CSM) headed by the respective DGs for decision. The decisions range from No Further Action (NFA), Linking with other complaints, or referral to some other relevant department on the Approval of the Complaint Verification Cell (CV) by NAB. A complaint, once approved, is allotted to a team of Investigation Officers (IO's) who finalize and prepare the Complaint Verification Report (CVR). The Report is subsequently presented before the Regional Board of the Region or to the Executive Board at NAB (HQ) for decisions keeping in view the delegation of powers by the Chairman.²The total number of processed complaint verifications in 2022 were 544.

² The diagrams, tables, and statistics referenced in (3)(i) of the report are sourced from the NAB report 2022.

Category	NAB (L)	NAB (K)	NAB (KP)	NAB (B)	NAB (R)	NAB (M)	NAB (SK)	Total
Backlog/ Under Process as on 31-12-2021	132	262	46	67	155	51	152	865
Reconciled Backlog as on 01-01-2022*	133	262	46	67	155	51	153	867
Authorized During Year 2022	45	70	136	71	32	28	57	439
Total	178	332	182	138	187	79	210	1306
Outcome of Processed Complaint Verifications								
Processed CVs	88	29	147	79	92	37	72	544
Closed	32	8	26	27	52	11	25	181
Transferred to other Department / Agencies	48	3	85	27	19	16	19	217
Transfer to other RNABs	1	2	0	0	2	0	1	6
Merged/Linked / A&P	2	5	7	8	7	1	7	37
Upgraded into Inquiry	5	11	29	17	12	9	20	103
Under Process	90	303	35	59	95	42	138	762

Inquiries

The Inquiry, after its authorization by the Chairman or the respective Director General is entrusted to a Combined Investigation Team (CIT). The CIT comprises of investigation Officer/ officers, a case officer / officers (CO), Legal Consultant (LC) and any relevant experts. The CIT after conducting its investigation presents the report before the Regional Board or the Executive Board as applicable for a decision. If the allegations are not established under the Ordinance, the Inquiry is closed or referred to the relevant department for appropriate departmental proceedings. If allegations are proven and warrant further action, the Inquiry is converted in to an Investigation.³

³ The diagrams, tables, and statistics referenced in (3)(i) of the report are sourced from the NAB report 2022.

Category	NAB (L)	NAB (K)	NAB (KP)	NAB (B)	NAB (R)	NAB (M)	NAB (SK)	Total
Backlog/ Under Process as on 31-12-2021	158	327	127	113	172	57	123	1077
Reconciled Backlog as on 01-01-2022*	158	318	127	113	172	57	123	1068
Authorized during year 2022	15	51	50	35	34	11	31	227
Total	173	369	177	148	206	68	154	1295
Outcome of Processed Inquiries								
Decided/Disposed of	45	14	46	35	42	21	14	217
Closed	25	2	17	4	19	13	7	87
Transferred to other Department / Agencies	15	5	17	22	18	6	6	89
Transfer to other RNABs	0	0	0	1	0	0	0	1
Merged/Linked / A&P	0	1	2	1	0	0	0	4
Upgraded into Investigation	5	6	10	7	5	2	1	36
Under Process	128	355	131	113	164	47	140	1078

Investigation

During investigation, the witnesses / evidence related to the case are examined at depth; record is seized through formal Seizure, memos and Statements of Witnesses are recorded as per Criminal Procedure Code (Cr.P.C)/NAO, 1999. During Investigation, the accused may opt for a Plea Bargain (PB). If the accused exercises this option and it is approved by NAB and the Accountability Court, the Investigation is completed and accused is deemed convicted under the law. Otherwise, the investigation is presented in the Regional or Executive Board for decision to file a reference or closure, as the case may be. In case of closure, it is presented before the Accountability Court for approval and in case Reference / Challan is approved, it is submitted before the Court for trial as per law.⁴

⁴ The diagrams, tables, and statistics referenced in (3)(i) of the report are sourced from the NAB report 2022.

Category	NAB (L)	NAB (K)	NAB (KP)	NAB (B)	NAB (R)	NAB (M)	NAB (SK)	Total
Backlog/ Under Process as on 31-12-2021	38	93	47	30	47	24	47	326
Reconciled Backlog as on 01-01-2022*	43	90	47	30	47	25	52	334
Authorized during year 2022	5	6	10	7	6	2	2	38
Total	48	96	57	37	53	27	54	372
Outcome of Processed Investigations								
Decided/Disposed of	3	5	12	5	8	8	8	49
Closed	2	0	3	0	2	1	8	16
Transferred to other Department / Agencies	1	0	3	1	2	1	0	8
Case completed through PB	0	0	0	0	0	0	0	0
Transfer to other RNABs	0	0	0	0	0	0	0	0
Merged/Linked	0	1	3	0	0	0	0	4
Upgraded (into Reference)	0	4	3	4	4	6	0	21
Under Process	45	91	45	32	45	19	46	323

Arrest

The Chairman NAB under section 24 of the NAO, 1999 may issue Warrants of Arrest (WoA) of the accused to detain him for recovery of evidence or to thwart his attempts to temper the record or hamper / harass the witnesses. In case the accused has already fled abroad, the process of getting him declared Proclaimed Offender (PO) is completed and Red Notice (RN) is issued, and he is extradited through INTERPOL. Furthermore, NAB authorities are empowered to freeze properties, assets and bank accounts of the accused persons. However, the same is required to be validated by the Accountability Courts within time prescribed under law.⁵

Exit Control List

To prevent the accused from fleeing abroad his name maybe placed on ECL at any stage of the case. The Regional Bureaus send their recommendations to NAB HQ which are scrutinized and after approval of the Chairman, particulars of the accused are recommended to the Ministry of Interior (MOI) for placement on ECL. The details of recommendations sent to MOI during the year 2022 for placement on ECL are as under: -

⁵ The diagrams, tables, and statistics referenced in (3)(i) of the report are sourced from the NAB report 2022.

Particulars / Status	NAB (L)	NAB (K)	NAB (KP)	NAB (B)	NAB (R)	NAB (M)	NAB (Sk)	Total
Existed as on 1 st Jan 2022	351	283	72	40	340	118	65	1269
Placement During the Year 2022	16	9	9	0	13	5	35	87
Deleted During the year 2022	99	39	1	9	115	15	8	286
Balance as on 31st Dec 2022	268	253	80	31	238	108	92	1070

Plea Bargain

After approval and signatures by the Chairman or Regional Director General, a Reference is filed in the Accountability Court. After the due process of law in the Accountability Court, the accused is convicted or acquitted. The accused can opt for Plea Bargain (PB) even at trial stage or at the appellate stage. However, it is important to note that PB deems to be a conviction of the accused and disqualifications under section 15 of NAO, 1999 do apply.

Particulars / Status	NAB (L)	NAB (K)	NAB (KP)	NAB (B)	NAB (R)	NAB (M)	NAB (Sk)	Total
a. Voluntary Return (Rs. in Million)								
Amount Agreed- VR	--	--	--	--	--	--	--	--
Amount Recovered (in cash)	--	10.000	--	--	--	--	--	10.000
b. Plea Bargain (Rs. in Million)								
Amount Agreed-PB	16032.937	381.314	--	0.132	19.071	1.985	11.821	16447.260
Amount Recovered (in cash)	2324.268	471.868	--	4.674	760.935	29.758	12.963	3604.466
Total amount recovered (VR+PB)								
Total Agreed Amount (VR+PB)	16032.937	381.314	--	0.132	19.071	1.985	11.821	16447.26
Total Amount Recovered in Cash (VR+PB)	2324.268	481.868	--	4.674	760.935	29.758	12.963	3614.466
c. PB in kinds (Plots/ Properties (Rs. in Million)								
PB- in kind (Plots / Properties)	322.719	--	--	--	--	--	--	322.719
Total Recovered on account of VR/PB (Cash +Kind) (a+b+c)	2646.987	481.868		4.674	760.935	29.758	12.963	3937.185

International Cooperation Wing (ICW)

International Cooperation Wing (ICW) of the Bureau is tasked with collecting evidence from abroad and executing Mutual Legal Assistance (MLA) requests. Section 21 of the NAO, 1999, MLA Act, 2020 provides NAB the power to seek and extend international cooperation and for assistance from / to foreign jurisdiction. ICW also works for tracing/ detection, freezing, and recovery of assets owned by accused persons abroad. Furthermore, extradition/deportation of absconders is also a part of the tasks assigned to the ICW. Additionally, the promotion of bilateral and multilateral cooperation with authorities abroad through MoUs, agreements, conventions, treaties, and contracts are also undertaken by ICW.⁶ The summary of the ICW operational activities is under: -

i. **Formal Mutual Legal Assistance (MLA) Request**

Sr.#	Details	Stats as on (Jan – Dec) 2022
1.	Request Sent to Foreign Jurisdiction	13
2.	Information Received	11

ii. **Informal Mutual Legal Assistance (MLA) Requests**

Sr.#	Details	Stats as on (Jan – Dec) 2022
1.	Request Sent to Foreign Jurisdiction	7
2.	Information Received	3

iii. **Incoming Requests (Informal)**

Sr.#	Details	Stats as on (Jan – Dec) 2022
1.	Incoming Request from Foreign Jurisdiction	6
2.	Information Sent	2

iv. **Extradition Requests**

Sr.#	Details	Stats as on (Jan – Dec) 2022
1.	Requests Sent	4
2.	Extradition Completed	-

AML/CFT Cell:

NAB is one of the designated investigation and prosecution agencies for the enforcement of the provisions of the Anti-Money Laundering Act, 2010. For coordinated efforts and effective response of NAB, an Anti-Money laundering / combating the Financing of Terrorism (AML/CFT) Cell has been established at NAB HQ's and at the seven Regional NABs.

⁶ The diagrams, tables, and statistics referenced in (3)(i) of the report are sourced from the NAB report 2022.

Statistics by the Prosecution Division NAB

Prosecution at Trial Courts

i. Total References filed:	30	
ii. Total References decided (Sr.3&4):	78	
iii. Convictions:		
– u/s 10 of NAO, 1999:	25	(@ 32%)
iv Reference decided (Sr.3,4&5)	86	
– u/s 25(b) of NAO, 1999 and references disposed of	8	
– PB (under Inv. matters, PBs approved by Court)	48	
(Not included in ratio)		
Total convictions (incl: sec 10 & 25(b))	33	(@ 38%)
v. Acquittals	53	

Conviction rate in NAB cases.

The compiled data illustrating the conviction rate in cases handled by NAB is presented as follows:

Quantum of Conviction (In some Refs R.Is may include more than one person)	NAB (L)	NAB (K)	NAB (KP)	NAB (B)	NAB (R)	NAB (M)	NAB (Sk)	Total
R.I upto 5 years	02	02	-	03	08	04	-	19
R.I upto 6-7	03	02	-	02	-	-	02	09
R.I upto 8-10	-	02	-	-	02	02	01	07
R.I upto 11-14	-	-	-	-	02	-	01	03
Total	05	06	-	05	12	06	04	38

Allegation wise Breakup

Illegal gratification	-	-	-	-	-	-	-	0
Misappropriation / misuse of authority	02	04	-	03	-	-	04	13
Accumulation of Assets beyond sources	-	-	-	01	01	01	-	03
Cheating with Public at large	-	02	-	-	03	03	-	08
Willful default cases	01	-	-	-	-	-	-	01
M.L / CrI. Breach of Trust	-	-	-	-	-	-	-	0
Conviction u/s 10 of NAO, 1999	03	06	-	04	04	04	04	25

Region wise detail during year 2022 are as under:

Sr.#	Details	NAB (L)	NAB (K)	NAB (KP)	NAB (B)	NAB (R)	NAB (M)	NAB (Sk)	Total
1	Filed	195	44	77	39	46	64	44	509
2	Decided in favour of NAB (Dismissed)	67	30	16	0	30	8	6	157
3	Decided against NAB (Accepted)	61	24	1	0	19	30	6	141
4	Total Decided	128	54	17	0	49	38	12	298

⁷ The diagrams, tables, and statistics referenced in (3)(i) of the report are sourced from the NAB report 2022.

Prosecution at High Court

Following are the details of Prosecution cases at the appellate jurisdiction of High Courts (Appeal stage) during the year 2022:⁸

Detail	NAB (L)	NAB (K)	NAB (KP)	NAB (B)	NAB (R)	NAB (M)	NAB (Sk)	Total
New filing during year	48	30	18	31	43	27	30	227
Decided in favour of NAB during year (incl previous year)	9	19	4	7	16	9	23	87
Decided against NAB during year (incl previous year)	0	94	2	11	44	3	20	174

Detail	NAB (L)	NAB (K)	NAB (KP)	NAB (B)	NAB (R)	NAB (M)	NAB (Sk)	Total
New filing during year	261	155	104	54	119	139	49	881
Decided in favour of NAB during year (incl previous year)	578	140	77	21	86	130	54	1086
Decided against NAB during year (incl previous year)	20	40	6	15	46	25	16	168

Prosecution of cases at the Honorable Supreme Court of Pakistan:

Filed in 2022	121
Decided in favor of NAB (<i>filed in 2022</i>)	11
Decided against NAB (<i>filed in 2022</i>)	08

Accountability Courts

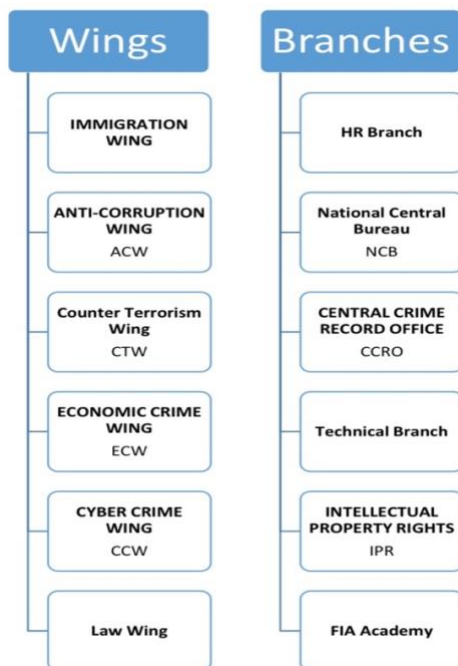
The National Accountability Courts in Pakistan were established under the National Accountability Bureau Ordinance, 1999. These courts were created to expedite the adjudication of cases involving corruption, corrupt practices, abuse of power, and misappropriation of property, kickbacks, and related offenses. The primary objective of these courts is to handle cases involving corrupt officials and individuals, recover outstanding amounts from those who have defaulted on repayments to banks, financial institutions, the government, and other agencies. At present 21 Accountability Courts are operational across the Country.

⁸ The diagrams, tables, and statistics referenced in (3)(i) of the report are sourced from the NAB report 2022.

(ii) Federal Investigation Agency

FIA was established in 1975 under the Federal Investigation Agency Act, 1974 it is a multifaceted organization responsible for border control, criminal investigations, counter intelligence, and security operations against various crimes like terrorism, espionage, smuggling, and more. The FIA's Anti-Corruption Wing is pivotal in investigating and combatting corrupt practices across government and private sectors. Utilizing its resources and expertise, the FIA plays a critical role in addressing financial fraud, embezzlement, and bribery, contributing significantly to the nation's pursuit of transparency, accountability, and integrity in both public and private realms.

Organizational Chart⁹



Anti-Corruption Wing

The Anti-Corruption Wing (ACW) in FIA is headed by an Additional Director General (BS-21) who assists the Director General FIA in the matters dealt by the field directorates related to anti-corruption. ADG ACW is assisted by a director and three Deputy Directors in the Wing. ACW also deals with the Audit Paras under scrutiny in Public Accounts Committees and development of the Case Management System of FIA. As far as Anti-corruption operations are concerned, there are 19 Anti-corruption Circles of FIA in Pakistan which are working under the administrative control of the Zonal Directors. Anti-Corruption Circles conduct operations against the Federal

⁹ The diagrams, tables, and statistics referenced in (3)(ii) of the report are sourced from the FIA Annual Administration Report 2022.

Government Employees engaged in receipt of illegal gratification, misappropriation, breach of trust and misuse of authority. These circles recover the looted amount and save the national exchequer from wrongful losses. In addition, thereto, these circles also act against the persons involved in the preparation / sale of spurious drugs, counterfeit currency and take cognizance of the offenses related to theft of electricity / gas / oil and violation of Human Organ Transplant Act.¹⁰

FIA's Operational Methodology

Complaint

The Agency can initiate an inquiry or investigation either on its own initiative or on receipt of a complaint or oral or written information. After an inquiry or investigation has been registered the inquiry or investigation shall proceed with care and discretion¹¹.

Complaint Verification

The Deputy Director or an officer above the rank of Deputy Director may initiate verification of a complaint in order to ascertain the identity of the complainant or informer and the genuineness of the information. Furthermore, the FIA Anti-Corruption wing will scrutinize the complaint to find out whether it falls within the jurisdiction of FIA¹²

Enquiry

An inquiry shall be initiated against an accused public servant with prior permission of the authority, specified below:

s.no	Basic Pay Scale of Public Servant	Authority
1	BPS 1-12 and equivalent	Deputy Director.
2	PBS 13-17 and equivalent	Director
3	PBS 18-19 and equivalent	Director General
4	PBS 20-21 and equivalent	Secretary
5	PBS 22 and equivalent	FACC

¹⁰ The diagrams, tables, and statistics referenced in (3)(ii) of the report are sourced from the NAB report 2022.

¹¹ Rule 3 of Federal Investigation Agency (Inquiries and Investigations) Rules, 2002.

¹² Rule 4 of Federal Investigation Agency (Inquiries and Investigations) Rules, 2002.

However, a criminal case shall be registered against an accused public servant with prior permission of the authority specified below:

s.no	Basic Pay Scale of Public Servant	Authority
1	BPS 1-12 and equivalent	Director.
2	PBS 13-17 and equivalent	Director- General
3	PBS 18-19 and equivalent	Additional Secretary
4	PBS 20-21 and equivalent	Secretary
5	PBS 22 and equivalent	FACC

A data on total number of enquires registered, processed and those still pending for the year 2022 is reproduced below: -

Enquiries:

Zone	B/F on 01.01.22	Registered	Total	Converted into Cases	Closed/ Transferred	Pending on 31.12.22
Punjab Zone-I	553	260	813	31	298	484
Punjab Zone-II	1096	586	1682	60	517	1105
Sindh Zone-I	269	59	328	11	72	245
Sindh Zone-II	236	229	465	37	191	237
KPK Zone	219	313	532	53	210	269
Balochistan Zone	72	56	128	18	57	53
Islamabad Zone	408	337	745	36	228	481
Total	2853	1840	4693	246	1573	2874

Cases:

Zone	B/F on 01.01.22	Registered	Total	Challaned	Closed/ Transferred	Pending on 31.12.22
Punjab Zone-I	232	39	271	54	4	213
Punjab Zone-II	353	130	483	229	7	247
Sindh Zone-I	33	16	49	11	3	35
Sindh Zone-II	89	146	235	62	87	86
KPK Zone	109	78	187	98	5	84
Balochistan Zone	51	32	83	25	12	46
Islamabad Zone	160	61	221	71	9	141
Total	1027	502	1529	550	127	852

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Arrest

The members of the FIA for the purpose of an inquiry or investigation have the power to search, arrest and seize property and carry out such duties, privileges and liabilities as the officers of a Provincial Police have in relation to the investigation of offences under the Code or any other law for the time being in force¹⁴. The Registration of a case and consequential arrest of a public servant shall be reported to the Head of the Department of the accused within 24 hours.¹⁵

¹³ The diagrams, tables, and statistics referenced in (3)(ii) of the report are sourced from the FIA Annual Administration Report 2022.

¹⁴ Section 5(1) Federal Investigation Agency Act, 1974.

¹⁵ Rule 6 of Federal Investigation Agency (Inquiries and Investigations) Rules, 2002.

Anti-Corruption Circles

The existing circles of crime function as Anti-Corruption Circles under the supervision of Add. Directors/Deputy Directors, in charges of the regional circles. Two teams comprising of the following staff is deputed for the task in each circle:¹⁶

Assistant director 01

Inspector 01

Sub Inspector 02

H.C/Constables 1/4

In the following table, meticulously compiled data for the year 2022 showcases pertinent statistics regarding court proceedings, arrests, individuals proclaimed as offenders, and those who have absconded from court appearances. This comprehensive overview provides crucial insights into the legal landscape of the specified period, facilitating a deeper understanding of the judicial dynamics and law enforcement efforts.

Court Work:

Zone	B/F on 01.01.22	Added	Total	Convicted	Acquitted	CCR	Pending on 31.12.22
Punjab Zone-I	641	54	695	20	39	152	484
Punjab Zone-II	275	133	408	13	31	34	330
Sindh Zone-I	309	11	320	3	14	52	251
Sindh Zone-II	506	63	569	128	24	9	408
KPK Zone	776	96	872	22	29	1	820
Balochistan Zone	53	25	78	0	17	0	61
Islamabad Zone	225	71	296	27	29	1	239
Total	2785	453	3238	213	183	249	2593

Arrests:

Zone	Total No. of Accused	Accused Arrested	Accused Convicted
Punjab Zone-I	249	45	20
Punjab Zone-II	336	222	13
Sindh Zone-I	32	15	3
Sindh Zone-II	176	45	95
KPK Zone	210	133	22
Balochistan Zone	40	18	0
Islamabad Zone	121	95	21
Total	1164	573	174

Proclaimed Offenders (POs):

Zone	B/F on 01.01.22	Added	Total	Arrested	Deleted	Pending on 31.12.22
Punjab Zone-I	69	16	85	4	4	77
Punjab Zone-II	17	4	21	3	1	17
Sindh Zone-I	8	0	8	0	0	8
Sindh Zone-II	12	3	15	2	1	12
KPK Zone	42	12	54	10	1	43
Balochistan Zone	57	0	57	1	0	56
Islamabad Zone	34	20	54	0	0	54
Total	239	55	294	20	7	267

Court Absconders (CAs):

Zone	B/F on 01.01.22	Added	Total	Arrested	Deleted	Pending on 31.12.22
Punjab Zone-I	73	10	83	3	0	80
Punjab Zone-II	7	1	8	1	0	7
Sindh Zone-I	1	0	1	0	0	1
Sindh Zone-II	3	0	3	0	0	3
KPK Zone	7	0	7	0	2	5
Balochistan Zone	1	0	1	0	0	1
Islamabad Zone	72	0	72	0	0	72
Total	164	11	175	4	2	169

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¹⁶ SOP For dealing with Complaints/Raids & Traps by Anti-Corruption Wing by FIA

¹⁷ The diagrams, tables, and statistics referenced in (3)(ii) of the report are sourced from the FIA Annual Administration Report 2022.

Recoveries (PKR in Millions):

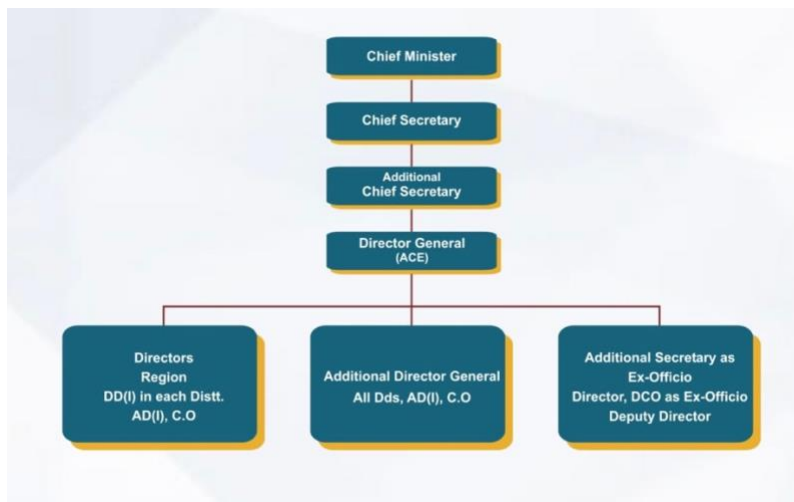
The table reflects the FIA's recovery efforts for the year 2022.

Zone	Recoveries	Fine by Court
Punjab Zone-I	<ul style="list-style-type: none"> Rs. 152.535 Million Recoveries in the shape of ETPB Property worth Rs. 613.16 Million have been retrieved during investigation. 	Rs. 104.95 Million
Punjab Zone-II	Rs. 20.357 Million	Rs. 63.52 Million
Sindh Zone-I	0	Rs. 1.564 Million
Sindh Zone-II	<ul style="list-style-type: none"> Rs. 26.39 Million Recovery in the shape of ETPB Property worth Rs. 01 Million. 	Rs. 3.292 Million
KPK Zone	<ul style="list-style-type: none"> Rs. 592.721 Million Recovery in the shape of ETPB Property worth Rs. 33.2 Million. Rs. 2.701 Million recovered in BISP Enquiries NO.s i.e. 28/2020, 06/2020, 08/2020. Rs. 135.418 Million recovered on undue payment of GP-Fund and Pension Error in Enquiry No. 157/2021. 	Rs. 0.158 Million
Balochistan Zone	Rs. 2.9503 Million	0
Islamabad Zone	Rs. 1741.98 Million	Rs. 39.413 Million
Total	<ul style="list-style-type: none"> PKR. 2536.9333 (M) Recovery in the shape of ETPB Property worth Rs. 647.36 Million. Rs. 2.701 Million recovered in BISP Enquiries NO,s i.e. 28/2020, 06/2020, 08/2020. Rs. 135.418 Million recovered on undue payment of GP-Fund and Pension Error in Enquiry No. 157/2021. 	PKR. 212.897 (M)

(iii) Anti-Corruption Establishment Punjab

Anti-Corruption Establishment (ACE), Punjab is an attached department of Services and General Administration Department (S&GAD), Government of the Punjab.

Organizational Structure



ACE PUNJAB METHODOLOGY

Outlined below is the sequential process followed by the ACE Punjab, commencing with the initiation of a formal complaint, progressing through a meticulous preliminary inquiry and comprehensive investigation, leading to the arrest of the accused when necessary. Subsequently, a detailed challan is submitted to the court, marking the commencement of the prosecution process. Throughout this journey, the ACE Punjab remains steadfast in its commitment to uphold justice, ensuring adherence to legal standards while combating corruption effectively.

Complaint

Complaints against public servants are received by the ACE from the Heads of attached Departments, general public and other reliable sources.¹⁸ In 2021 a total of 28134 complaints were received and 28082 were disposed of.

¹⁸ Rule 5 of Punjab Anti-Corruption Establishment Rules 2014

Period	Jan-21	Feb-21	21-Mar	21-Apr	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	TOTAL
Complaint Received	2348	2158	2164	2201	2078	2466	2403	2417	3142	2649	2124	1984	28134
Complaint Disposed of	2448	2182	2557	2524	2066	2283	2173	2146	2544	2703	2232	2224	28082

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Preliminary Enquiry

The Establishment can initiate preliminary enquiry. Furthermore, a Deputy Director or an officer of or above his rank may initiate a preliminary enquiry to ascertain the identity of the complainant or informer and the veracity of the facts mentioned in the complaint or the information.

However, where an enquiry mentioned in is to be conducted against a District Coordination Officer of a District Government, a Commissioner of a Division, a Secretary to the Government, a Head of an Attached Department, and any other officer of BPS-20 and above, such enquiry shall be initiated by the Director General with the prior permission of the Chief Minister but in case any of those officers is in BPS-19, such permission may be accorded by the Chief Secretary but the Director General may, without any such permission, contact the complainant or the informer to ascertain his identity and the evidence available with him, if any, in support of the complaint.²⁰ In 2021, 6619 enquiries were initiated, and 7551 enquiries were disposed of as illustrated below: -

Period	Jan-21	Feb-21	21-Mar	21-Apr	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	TOTAL
Enquiry initiated	689	524	534	557	878	578	501	515	567	554	363	359	6619
Enquiry disposed of	547	738	415	551	416	533	560	584	535	561	627	1484	7551

Investigation

After the validity of enquiry, a case is proposed to be registered by the Enquiry Officer to the concerned authorities. The authorities approve either the proposal or validate the proposal via Legal Wing. If not proposed to be dropped, registration of a case is approved by the concerned authorities, if considered appropriate and marked it to the subsequent Investigation Officer (I. O). The ACE police station launches the F.I.R and the case rests to the marked Investigation Officer. The next step is the collection of evidence to prove the validity of case conducted by the

¹⁹ Performance Report ACE Punjab from Jan-2021 to Dec-2021

²⁰ Rule 5 of *ibid* rules.

investigation officer. Meanwhile, concerned parties are summoned and questioned. Place of the crime is observed, if required. Witnesses are collected and oral, documentary, and circumstantial evidence are charted down. The Investigation Officer furnishes his final report to the concerned authorities with a proposal of either to drop or departmental action or judicial action. The concerned authorities again validate it *via* Legal Wing, if consider appropriate and approval/disapproval of proposal is given.²¹

Case

If the facts so warrant, the Establishment may register a criminal case against the accused public servant under the Prevention of Corruption Act, 1947 (II of 1947) and under such sections of the Pakistan Penal Code, 1860 (XLV of 1860). However, no criminal case shall be registered unless approved in writing by the officer of the Establishment mentioned below against each category:

- (a) Public servants in BPS-1 to BPS 16 - Not below Deputy Director
- (b) Public servants in BPS-17 & BPS 18- Not below a Director
- (c) Public servants in BPS-19 & above Director General

Furthermore, no case can be registered against Coordination Officer of a District Government, a Commissioner of a Division, a Secretary to the Government, a Head of an Attached Department, and any other officer of BPS-20 and above without prior permission in writing of the Chief Minister but in case any of those officers is in BPS-19, such permission may be accorded by the Chief Secretary²². In 2021, a total of 1476 cases were registered and 1722 were disposed of.

Period	Jan-21	Feb-21	21-Mar	21-Apr	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	TOTAL
Cases Registered	98	123	118	129	105	159	150	167	107	92	102	126	1476
Cases disposed of	150	105	132	109	108	137	218	164	118	137	117	227	1722

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²¹ Case Registration Document by ACE Punjab

²² Rule 6 of *ibid* rules.

²³ Performance Report ACE Punjab from Jan-2021 to Dec-2021

Dropping of a Case of Recommending Departmental Action

Upon completion of the investigation if allegations are not established, the case shall be dropped under the orders of the competent authority mentioned below. And if after investigation, it is found that judicial action is not called for, but sufficient material is available on record to establish that certain irregularities have been committed by the accused public servant calling for departmental action, under the same rule. Thus, the case is referred to the departmental authority for necessary proceedings under PEEDA Act, 2006. However, the outcome the investigation is to be submitted in the court of Special Judge, Anti-Corruption, in term of section 173 Cr. P.C. ²⁴

The following Authorities are competent to pass an order for purposes of dropping a case or recommending disciplinary: -

- (a) Director, in case of public servants up to BPS-17;
- (b) Director General, in case of public servants up to BPS-18;
- (c) Additional Chief Secretary, for public servants in BPS- 19 except those mentioned in clause (e);
- (d) Chief Secretary, in case of public servants in BPS-20, except those mentioned in clause
- (e) Chief Minister, in case of District Coordination Officers, Commissioners of Divisions, Administrative Secretaries and other officers in BPS-21 and above.

Raid

A raid can be arranged by the Establishment, however for that the Establishment shall request the Sessions Judge of the District, or, in his absence, any Additional District and Sessions Judge nominated for the purpose to depute a Magistrate for supervising the raid.

Arrests

Accused can be arrested after the registration of the case by the approval/orders of the concerned authorities. The accused will be arrested either during the investigation or after the investigation depending upon the requirements of the case scenario. If the circumstances become unavoidable during the investigation, the accused public servant can be arrested immediately. The primary requirement is the approval of the judicial action by the concerned authorities depending upon the grade of accused public servant. Whereas, in case of trap raid no such permission for sanction for

²⁴ Case Registration Document by ACE Punjab

prosecution is required.²⁵ However, the Establishment may, if necessary, in public interest, arrest an accused public servant but no public servant in BPS-18 and above shall be arrested without prior permission in writing of the authority mentioned below:

- a) Officers in BPS-18 and 19- Additional Chief Secretary
- b) Secretaries to the Government, Heads of
Attached Departments, - Chief Secretary
Commissioners, District Coordination Officers and
officers in BPS-20 and above.

Submission of Challan

After the approval of judicial action, the challan either incomplete or complete is submitted to the Anti-Corruption Court by the Investigative Officer. If after completion of the investigation, the offence stand established through evidence/material collected during proceedings, the case is forwarded for trial to the Special Court having jurisdiction by way of filing a report (Challan) in terms of section 173 Cr.P.C. The Prosecution Branch of ACE keeps effective liaison with the Prosecutors of the Special Courts.

Period	Jan-21	Feb-21	21-Mar	21-Apr	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	TOTAL
Challan Submitted	103	87	81	60	46	74	115	63	91	106	113	160	1099
Accused arrested	171	94	145	113	127	165	135	145	166	131	153	146	1691
Raid Conducted	15	19	23	22	15	25	20	20	24	12	18	11	224
Direct Recovery (Rs. in million)	5.7	0.801	5.992	4.31	3.736	15.09	11.93	2.14	13.9	8.66	12.44	27.48	112.179
Recovery in from of Land	2104.87	3386.339	2615.32	1336.61	754.8	406.01	2442.67	435.83	1307.82	4814.6	102.76	570.62	20278.25
Indirect /Relief amount	770.12	260.44	800.949	378.224	308.805	967.756	633.48	717.005	980.13	310.961	231.48	223.85	6583.2
TOTAL	2880.69	3647.58	3422.261	1719.144	1067.341	1388.856	3088.08	1154.975	2301.85	5134.221	346.68	821.95	26973.63

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Suo-Moto Power

Authorities such as a Director, Chief Secretary, and the Chief Minister, have the Suo Moto power to review cases and issue directives to ensure expeditious and fair resolution, contributing to the effective administration of justice within their jurisdictions.

²⁵ Rule 7 of ibid rules.

²⁶ Performance Report ACE Punjab from Jan-2021 to Dec-2021

(iv) Anti-Corruption Establishment Sindh

The Anti-Corruption Establishment Sindh was created in the year 1961. The E&ACE Sindh is an attached Department of SGA&CD. After Abolition of the one unit, E&ACE started functioning independently from 1970. There are 09 ACE Zones in Sindh, and each Zone is headed by Deputy Director ACE. There are 29 Circles and 01 Sub-Circle at District Level and each Circle is headed by a Circle Officer.

ACE Sindh Methodology

Preliminary Enquiry

The officer of the Establishment needs a prior approval of the Competent Authority to initiate a preliminary enquiry against an accused Public Servant.²⁷

Time Limit for Investigation

Every investigation or enquiry under the Act and the Rules made there-under shall be completed normally within 90 days period. Extension if any, shall be sought by the officer concerned from Director for officer of BS-1 to 16 for 17 and above from Chairman through the Director (Anti-Corruption).²⁸

Registration of Cases

Criminal cases shall be registered by the Establishment under Prevention of Corruption Act, 1947. No Criminal Case shall be registered against accused Public Servant without prior approval of the 'Competent Authority'. When a case is registered at local Police Station, the District Police shall have no jurisdiction whatsoever to continue the investigation and the relevant record shall be made over to the Establishment.²⁹

Arrest

The accused Public Servant may be arrested, if his arrest becomes unavailable during investigation, with the prior permission of the competent authority. Provided that no prior permission shall be necessary for the arrest of Public Servant caught as a result of raid/trap and Public Servants from BS-1 to BS-15.³⁰

Suo Moto Examination

The Chief Secretary, the Chairman and Director (Anti- Corruption) may call for and examine the record of any case and may give such directions as may be deemed fit.³¹

²⁷ Rule 8 Sindh Enquiries and Anti- Corruption Rules, 1993.

²⁸ Rule 10 Sindh Enquiries and Anti- Corruption Rules, 1993.

²⁹ Rule 11 Sindh Enquiries and Anti- Corruption Rules, 1993.

³⁰ Rule 13 Sindh Enquiries and Anti- Corruption Rules, 1993.

³¹ Rule 20 Sindh Enquiries and Anti- Corruption Rules, 1993.

(v) Anti-Corruption Establishment Balochistan

In Balochistan, ACE earlier worked under a DIG/SSP as the Head of ACE; however, a separate directorate was established in 2010 namely the Balochistan Enquiries and Anti-Corruption Establishment under the Balochistan Enquiries and Anti-Corruption Act, 2010 and the Balochistan Enquiries and Anti-Corruption Rules 2011. Under this law Anti-Corruption Establishment (ACE), was constituted at provincial level for the investigation of complaints of corruption against provincial public servants.

Enquiry

Preliminary enquiries and investigations shall be initiated by the Establishment against public servants on complaints received from the Government, Heads of Administrative Departments or other reliable sources. However, no enquiry can be initiated without prior approval of the competent authority.³²

Time Limit for investigation

Every investigation or enquiry under the Act and Rules made there-under, shall be completed within the period as provided in Cr.P.C.

Criminal Case

Criminal cases shall be registered by the Establishment under the Prevention of Corruption Act, 1947 and under such Section of the Pakistan Penal Code. Provided that the criminal cases shall be registered by the Establishment at Anti-Corruption Police Station and where there is no such notified Police Station, at local Police Station. No criminal case shall be registered against accused public servant without prior approval of the competent authority.

Raid

In all cases of raid/trap, the District Magistrate, Additional District Magistrate or Sub-Divisional Magistrate of the jurisdiction shall depute a Magistrate of first or second class for supervising raid/trap on the request made in writing by the officer of the Establishment.

³² Anti-Corruption Establishment Balochistan Rules, 2011

Arrest

The accused public servant may be arrested, if his arrest becomes unavoidable during investigation, with the prior permission of the competent authority.³³

Public Servants Competent Authority

- | | |
|---|---------------------------|
| 1. Public Servants in BPS 01-18
General (Excluding the sitting Deputy Commissioner
and Superintendent of Police/District Police Officer) | Director |
| 2. Public Servants in BPS 19-20 of the status of
Secretary Commissioner, Secretaries to provincial government,
head of attached department (including the sitting
Deputy Commissioner and Superintendent of Police/District
Police Officer) | Chief |
| 3. Public Servants in BPS 21 & above
Minister/Government | Chief |
| 4. Judicial officer and other subordinate staff of judiciary
Court of Balochistan | Chief Justice of the High |

³³ Anti-Corruption Establishment Balochistan Rules, 2011

(vi) Anti-Corruption Establishment Khyber Pakhtunkhwa

ACE KPK Methodology

The initiation of preliminary/open inquiries against public servants is facilitated upon receiving complaints from reliable sources, followed by thorough investigations to verify allegations. Upon satisfying criteria for registration, criminal cases are registered under the Prevention of Corruption Act 1947, with permissions granted by designated authorities based on the rank of accused public servants. Subsequently, the administrative department is promptly informed of case registrations and any subsequent arrests. Time limits are set for the completion of preliminary inquiries and investigations, with extensions granted by competent authorities when justified. Raids and traps are supervised by judicial officers to ensure procedural integrity. Permissions for the submission of challan to the court, recommendation of departmental actions, or dropping of cases are accorded based on investigation outcomes. Departmental proceedings are initiated when prosecution isn't warranted but sufficient evidence exists for administrative actions. Final reports and summaries are provided upon request, and departmental proceedings are conducted in accordance with prescribed rules.³⁴

4. Pakistan's Corruption Profile

Pakistan's position on the Transparency International's Corruption Perception Index (CPI) has fluctuated over the years, reflecting ongoing challenges with corruption within the country. In 2022, Pakistan was ranked 147th out of 180 countries, scoring 30 out of 100 on the CPI, below the global average of 43. The CPI score has seen a gradual decline since 2012 when it was 31, dropping by one point over the years. In 2023, Pakistan's ranking improved slightly to 133rd out of 180 countries, but the score remained low at 29 out of 100.

³⁴ North-West Frontier Province Anti-Corruption Establishment Rules, 1999

5. Laws on Prevention of Corruption and Corrupt Practices

(i) Pakistan Penal Code, 1860

Pakistan Penal Code 1860 (PPC) contains the definitions of offence and corresponding penal provisions for that offence. While the code addresses unauthorized gratification taken by public servants (section 161) and the use of unlawful means to influence them (section 162), its application is limited to public servants. However, as corruption often stems from a corrupt mindset, the PPC stands as a crucial piece of legislation, albeit somewhat restricted in scope. Penalties for offences range from imprisonment to fines, as outlined in sections 162 to 171. Despite its existence, the PPC faces several shortcomings:

- i. Its restricted approach limits its effectiveness in combatting corruption comprehensively.
- ii. The severity of punishments may not sufficiently deter potential offenders.
- iii. Enforcement of these provisions is often lacking, highlighting the need for stringent measures to ensure compliance.
- iv. The code lacks adequate provisions for raising awareness and educating society about the impact of corruption.

In light of these issues, the PPC falls short of addressing the multifaceted nature of corruption in modern society, necessitating comprehensive reforms to effectively tackle this pervasive issue.

(ii) The Prevention of Corruption Act 1947

The Prevention of Corruption Act 1947 (II OF 1947) was enacted on March 11, 1947, as the initial legislation targeting anti-corruption measures. However, its focus was primarily on defining criminal misconduct by public servants rather than explicitly addressing corruption. Section 5 of the Act mirrors relevant provisions of the Pakistan Penal Code 1860 but includes additional

elements such as dishonest misappropriation of property and scrutiny of a public servant's financial assets beyond their known income sources. This law, mostly enforced by provincial anti-corruption establishments, serves as a supplement to the Pakistan Penal Code 1860. However, it has limitations:

- i. It applies solely to public servants, limiting its effectiveness against corruption.
- ii. The punishment prescribed is a maximum of seven years imprisonment or a fine, without specifying whether the punishment is rigorous or simple.
- iii. Despite efforts by anti-corruption establishments, the rapid growth of corruption undermines their effectiveness.
- iv. The Act lacks modern reformatory clauses necessary for combating contemporary corruption challenges.

While it extends beyond the Pakistan Penal Code 1860 by defining public servant misconduct, it falls short of addressing the broader concept of corruption comprehensively. This legislation still serves as the basis of the anti-corruption regime in Pakistan³⁵.

(iii) The Elected Officials Anti-Corruption Regime

Pakistan has enacted various laws targeting elected officials since the late 1950s, including the Public Officials Disqualification Ordinance and the Parliament and Provincial Assemblies (Disqualification for Membership) Act. However, subsequent regimes, notably under General Zia-ul Haq, introduced their versions (PPO No16 and PPO No.17).

(iv) The Ehtasab (Accountability) Laws 1996-1999

During Malik Meraj Khalid's caretaker government, the Ehtesab Ordinance (1996) was replaced by the Ehtesab Act (1997), establishing the Ehtesab Cell under Prime Minister Nawaz Sharif to investigate corruption. However, concerns emerged regarding political misuse, detracting from the fight against widespread corruption.

³⁵ Prevention of Corruption Act 1947.

(v) National Accountability Ordinance 1999.

A brief history and origins of the NAB Ordinance are crucial to consider. The NAB Ordinance was a successor of the Ehtesab Act, 1997 and was promulgated by the then Chief Executive of Pakistan, General Pervez Musharraf, on 16.11.1999 with retrospective effect from 01.01.1985. The NAB Ordinance is a special law enacted to ‘*eradicate corruption and corrupt practices and hold accountable all those persons accused of such practices.*’ To achieve its purposes the NAB Ordinance:³⁶

- i. Set up Special Courts for conducting trials of the offence of corruption and corrupt practices³⁷.
- ii. Defined the categories of holders of public office who are subject to the NAB Ordinance. The two main categories are parliamentarians (“**elected holders of public office**”) and ‘persons in the service of Pakistan’³⁸.
- iii. Expanded the class of persons who could be investigated and prosecuted for the offence of corruption and corrupt practices³⁹.
- iv. Set up the NAB for the purposes of conducting pre-trial inquiries and investigations in relation to the offence of corruption and corrupt practices and to prosecute the same⁴⁰.
- v. Retained certain categories of the offence of corruption and corrupt practices from previous accountability laws whilst also adding certain new categories such as ‘misuse of authority’ and ‘willful default’⁴¹.
- vi. Declared the offence of corruption and corrupt practices non-bail able⁴².
- vii. The commission of an offence under the Ordinance is punishable with a prison sentence extendable up to 14 years, or with fine, or with both and forfeiture of property or assets, by the appropriate Government, where the property or assets are disproportionate to the accused’s known source of income⁴³.

³⁷ [refer Sections 5(g) and 16 of the NAB Ordinance prior to the 2022 Amendments];

³⁸ [refer Section 5(m) of the NAB Ordinance prior to the 2022 Amendments];

³⁹ [refer Section 5(o) of the NAB Ordinance prior to the 2022 Amendments];

⁴⁰ [refer Section 6 of the NAB Ordinance prior to the 2022 Amendments];

⁴¹ [refer Section 9(a)(vi) and (viii) of the NAB Ordinance prior to the 2022 Amendments];

⁴² [refer Section 9(b) of the NAB Ordinance prior to the 2022 Amendments];

⁴³ [refer Section 10 (a)].

- viii. Retained certain evidentiary presumptions against accused persons whilst also adding a new category of presumption for persons accused of misusing their authority⁴⁴
- ix. Permitted the Chairman NAB or any authorized officer of the Federal Government to seek mutual legal assistance from foreign States⁴⁵.
- x. Introduced the concept of a plea bargain⁴⁶.
- xi. The provisions of NAO, 1999 have an overriding effect of all other laws and jurisdictions. Hence when the NAB takes cognizance of an offence all other agencies are barred from taking cognizance of the same.⁴⁷
- xii. The formation of Prevention Committees under Section 33C of NAO, 1999 at NAB HQ and Regional level provide a unique platform for studying and analyzing the existing rules, procedures, and laws of public sector departments and to suggest amendments/changes in processes for enhanced transparency and effectiveness. It involves frequent meetings and brainstorming sessions with other government offices and relevant stakeholders wherein the existing weaknesses in the systems are thoroughly discussed before suggesting changes in the systems. The role of the Prevention Committees has been highly praised by the public sector offices and intelligentsia, as their official business and mitigating the risks of corruption in the public sector service delivery.

The *vires* of the NAB Ordinance were challenged soon after its promulgation but the Court in **Khan Asfandiyar Wali Vs. Federation of Pakistan (PLD 2001 SC 607)** upheld its provisions albeit with certain directions and observations. Since then, despite three elected governments coming into power the NAB Ordinance has not been repealed and it remains the premier accountability law in the country. On 22.06.2022 the First Amendment to the NAB Ordinance became an Act of Parliament. However, they have been challenged in the Supreme Court.

⁴⁴ [refer Section 14 of the NAB Ordinance prior to the 2022 Amendments];

⁴⁵ [refer Section 21 of the NAB Ordinance prior to the 2022 Amendments];

⁴⁶ [refer Section 25(b) of the NAB Ordinance prior to the 2022 Amendments].

⁴⁷ S. 18(d) National Accountability Ordinance.

6. Anti-Money Laundering and Combating of Financing Terrorism Regime of Pakistan

The legislative framework for anti-money laundering (AML) in Pakistan evolved initially within the Anti-Terrorism Act (ATA) of 1997 and the Control of Narcotics Substances Act of 1997, focusing on counterterrorism and drug-related assets. Regulatory bodies like the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) introduced AML regulations in 2003 and 2002, respectively, aiming to safeguard financial institutions. Despite efforts, challenges persist, including informal money transfer systems like hundi and hawala. Pakistan's membership in the Asia/Pacific Group on Money Laundering (APG) led to the promulgation of the Anti-Money Laundering Ordinance (AMLO) in 2007, refined through the Anti-Money Laundering Act (AMLA) of 2010. However, limitations in scope and enforcement remain. Investigative agencies like the National Accountability Bureau (NAB) and the Federal Investigation Agency (FIA) face jurisdictional conflicts and limitations in combating money laundering effectively. Conflicts with other laws, such as the Protection of Economic Reforms Act and the Income Tax Ordinance, create loopholes for illicit financial activities, hindering AML efforts.

(i) Anti-Money Laundering Act, 2010

The Anti-Money Laundering (AML) Act criminalizes money laundering and encompasses a broad spectrum of predicate offences. Under this act, a high-powered inter-ministerial committee known as the National Executive Committee (NEC) is established. Similarly, the AML law establishes an operationally independent administrative body called the Financial Monitoring Unit (FMU). The FMU's primary mandate is to receive, analyze, and disseminate Suspicious Transaction Reports (STRs) and Currency Transaction Reports (CTRs).

Furthermore, the AML Act designates law enforcement agencies such as NAB, ANF, FIA, and DG (I&I)-FBR for the investigation and prosecution of money laundering offences. The law grants these agencies necessary investigative powers and functions. Additionally, the legislation

facilitates international cooperation for the exchange of information and mutual legal assistance on a reciprocal basis. To ensure the effective implementation of the AML/CFT regime, Pakistan has taken several steps.

- Enactment of AML Act in March 2010
- Establishment of Financial Monitoring Unit (FMU) inter alia to receive, analyze Suspicious Transaction Reports (STRs) and Currency Transaction Reports (CTRs), and disseminate financial intelligence to the designated Law Enforcement agencies as per international standards.
- Issuance of regulations / circulars by State Bank of Pakistan and Securities & Exchange Commission of Pakistan for their regulated entities to meet their obligations of FATF standards.
- Amendments in Anti-Terrorism Act in 2013 & 2014 to align the terrorist financing regime with the international standards.
- Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Regulations for Banks and DFI's.

However, there are still issues that require further attention:

- The AMLA faces jurisdictional challenges, as anti-money laundering cases cannot be tried in special banking courts due to their omission from the scheduled offences under the Offences in Respect of Banks (Special Courts) Ordinance 1984. Unlike in India's Prevention of Money Laundering Act (PMLA), where special courts are designated for money laundering offences, Pakistan's AMLA lacks specific jurisdictional provisions, hindering its effectiveness in prosecuting money laundering crimes.
- The AMLA holds supremacy over conflicting laws but faces inconsistencies with other legislation, particularly the Protection of Economic Reforms Act 1992 (PERA). PERA's provisions facilitate unrestricted movement of foreign currency, hindering AMLA objectives. Similarly, the Foreign Currency Accounts (Protection) Ordinance 2001 and Income Tax Ordinance 2001 contribute to money laundering

by allowing unregulated foreign currency transactions and inward flow of suspicious money, respectively.

(ii) Competition Act, 2010

In addition to direct anti-corruption measures, the Competition Commission of Pakistan (CCP) plays a crucial role in preventing corrupt practices in the business landscape. Empowered by section 3 of the Competition Act, 2010, the CCP prevents market power abuse by dominant undertakings, while Section 4 prohibits agreements that distort competition. Section 4 explicitly bars collusive practices such as tendering or bidding, which threaten fair competition and integrity in procurement. By enforcing regulations like Section 4, the CCP directly addresses corruption breeding practices like collusion and bid-rigging, fostering a competitive marketplace and bolstering the fight against corruption. Through its efforts to promote fair competition and prevent the abuse of market power, the CCP not only fosters economic efficiency but also creates an environment where corrupt practices find little room to thrive.

7. Deliberations of the Committee

First meeting

First meeting of the committee was held on 04.01.2023 and the committee was apprised that it is one of key requirements of the International Monetary Fund (IMF) for Pakistan to have a comprehensive review of anti-corruption institutional framework as well as to strengthen internal procedures with regards to accountability mechanism. To achieve the desired outcomes, it is imperative to see what measures can be taken to improve functioning of our anti-graft agencies, ensure its independence and to make accountability processes and procedures effective so that the anti-corruption laws are implemented in letter and spirit. In recent past, Pakistan had made reforms in its existing legal framework by amending existing and introducing new laws to curb the menace of money laundering as result of which after comprehensive assessment by FATF, Pakistan was removed from Grey List.

The Committee observed that currently there are two anti-corruption agencies operating at the Federal level namely, National Accountability Bureau (NAB) established under the National Accountability Ordinance, 1999 (NAO, 1999) and the Federal Investigation Agency (FIA) established under Federal Investigation Agency Act, 1974 (FIA Act, 1974). NAB was primarily established for the purposes of investigating and prosecuting high value mega corruption cases by public office holders, public servants and private persons involved in the corruption of cheating public at large. However, NAB had been widely criticized for exceeding its mandate by initiating politically motivated cases and violation of individuals' rights by its unfettered and excessive powers and diverting it from its *raison d'être*. As a result, almost six months ago the Parliament unanimously passed amendments in the NAO, 1999 to curb the excesses and bring the authority of NAB officials within fetters of the law so that fundamental rights are not violated, and everyone is treated in accordance with law. More importantly, a statutory ceiling was stipulated where any case above the value of five hundred million rupees shall be cognizable by NAB, whereas anything below the said value shall either fall under jurisdiction of FIA or respective provincial anti-corruption agency.

Another important aspect which requires consideration is unequivocally defining jurisdiction of NAB and FIA in their respective laws as it is often seen that both agencies take cognizance of same offense which raises serious question over its effectiveness to try corruption cases. The Committee agreed that in system like ours, further severity of punishment may not bring desirable results, but certainty of punishment may prove an effective deterrence. The existing accountability framework can be improved through focusing on imparting skills and capacity building including the utilization of modern available technologies.

As regards role of FIA, former Director General FIA commented that it is the world's only investigation agency that provides immigration services at airports. Almost fifty percent of its resources are spent on immigration services and rest on other crimes including corruption. Consequently, when officers are posted as investigation officers from immigration desks, they lack the basic knowledge and skill for investigating and prosecuting corrupt practices. It was, therefore, advised that the primary role of agency must be to investigate corruption, and its resources must be allocated and spent on training and capacity building of their investigating officers.

The committee observed that one of the ways to tackle corruption is to have a preventative approach. As such proper check and balance system needs to be established at institutional level to prevent corruption in the first place. Head of Ministries, Divisions, autonomous, semi-autonomous bodies etc., who is the Public Accounts Officer, is authorized to sanction public monies in millions of rupees and the Auditor General of Pakistan has a constitutional mandate for ensuring that public money is utilized and spent properly. Hence, it was decided to invite them in the next meeting along with Chairman Federal Board of Revenue to seek their views for preventing and eliminating corruption and strengthening institutional framework to cap loses/leakages and increase public revenues.

Second Meeting

In the Second meeting held on 02.11.2023 the Task Force reinforced its resolve to conduct a comprehensive review of the institutional framework of the Anti-Corruptions Institutions, in this regard specific TORs of the key stakeholders were provided as under:

FIA

- FIA to recommend appropriate structural reform measures to enhance their independence, effectiveness in investigation and prosecuting corruption cases.
- Propose legislative amendments.
- Address the issue of overlapping jurisdiction between NAB and FIA.
- Suggest measures to improve the efficiency of the Agency and address the issue of low conviction rates.
- Address the factors which lead to a High Corruption Perception Index.

FMU

- FMU to conduct a review of the Anti-Money Laundering regime in Pakistan and suggest measures for improving the FMU effectiveness of the Unit.
- Highlight the progress made by the Unit regarding successful removal from the FATF Grey list.
- Provide quantitative data in relation to the working and impact of the FMU.

ICAP

- ICAP to conduct an independent review of our forensic Accounting Standards and gauge their consonance with the international standards accepted Worldwide.
- Conduct a review of the performance of the leading Anti-corruption institutions from an outside Government, independent perspective.
- Address the factors leading to a Corruption perception index of 140, the factors contributing to ill perceptions and their co-relation with factual on ground position.

Third meeting

The third meeting of the committee was held on 13.03.2024. The Chair emphasized that the FIA serves as an investigating agency, highlighting that Pakistan is likely to be the only country where investigators are stationed at immigration counters. This practice presents challenges as investigators are diverted from their core duties, compromising their effectiveness. Hence, it was suggested to separate immigration duties from investigative work. The FIA should focus solely on investigative tasks, while a separate department handles immigration.

Barrister Usman Ali Lali further raised concerns about the operational issues faced by an agency tasked with cybercrime matters made under the PECA Law. He proposed separating this function from the FIA to allow the latter to concentrate on its core mandates.

The Chair emphasized that the investigation agencies have been stretched thin, multitasking across various areas. The Minister sought recommendations from participants on how these institutions could be streamlined to align with their original mandates as outlined in their respective legislation.

Raja Naeem Akbar, Federal Law Secretary requested SECP's input on a decade-old issue of low fraud complaints, which gained attention due to external pressure. Despite efforts, only one complaint led to prosecution, prompting changes within SECP to impose penalties, raising questions on the efficacy of such reforms for other regulators facing similar challenges.

Barrister Ahsan Jamal Pirzada emphasized the importance of addressing public perception for any organization to function effectively. Furthermore, he assumed responsibility for reviewing countries and resolving overlapping issues between departments such as NAB and FIA. He advocated for the implementation of a codified system and emphasized the importance of digitalization to enhance transparency.

Ms. Lubna DG FMU noted that the AML law is aligned with international standards but is still under examination for further improvement. She observed a shortage of well-trained personnel and emphasized the need to create capacity-building opportunities, including staff sharing. She highlighted the complexity of cases and stressed the importance of intra-agency capacity building, noting its potential for quick returns.

Mr. Sohail Zafar Chatha DG ACE conducted an assessment revealing numerous unacknowledged challan cases, prompting efforts to enhance oversight through a proposed system akin to Punjab Police's. Digitization was stressed to prevent concealment of cases and ensure organizational transparency.

The Chair explained that from a prosecution standpoint, a dashboard had been developed. Prosecution service personnel were encouraged to utilize this dashboard, which delineates progress in inquiries, investigations, challans, and prosecutions. The Chair stressed the importance of maintaining a performance dashboard to track progress after each court hearing, ensuring transparency and accountability. Additionally, the Chair inquired with Mr. Ghulam Asghar Pathan about the high acquittal rate among defense lawyers.

Mr. Ghulam Asghar Pathan responded, firstly, by pointing out that the problem with FMU lies in the lack of coordination with agencies defined in the Anti-Money Laundering Act. This issue extends beyond prosecuting agencies and also affects inter-organizational cooperation. He further highlighted the difficulty posed by cases involving the same parties in different organizations, which can complicate proceedings pending in another court due to the principle that the same case cannot be pursued against one party in criminal proceedings. The high acquittal rate, he explained, is due to the weak, underpaid, and inexperienced prosecution side's inability to handle complex situations, such as those involving money laundering across several jurisdictions. Mr. Ghulam Asghar Pathan suggested that allowing for a fifty-fifty ratio in prosecution, welcoming independents, could improve the situation. He also raised concerns about the appointment of special judges, emphasizing the lack of specialized criteria and training to handle such difficult situations. Lastly, Mr. Ghulam Asghar Pathan pointed out that statutes are not

conducive to securing convictions, lacking definitions that would accurately highlight corruption and its modes.

Barrister Ambreen Abbasi, Senior Legal Advisor CCP discussed the scope of NAB law and its applicability in the private domain, emphasizing the need for assessment. Without a link to the public sector, NAB cannot exercise its authority. She noted that the Competition Commission of Pakistan (CCP) indirectly addresses private sector corruption through regulations on bidding and prohibited agreements. Additionally, she highlighted significant judicial intervention in their decisions, resulting in penalties imposed but cases stayed, hindering their ability to recover assets. She emphasized the absence of specialized benches to prioritize such cases, posing a major obstacle to implementation despite passing numerous orders. Moreover, she pointed out frequent overlaps with regulatory bodies like the Drug Regulatory Authority of Pakistan (DRAP), necessitating overriding powers to address these challenges effectively.

Dr. Kabir Sidhu, Chairman CCP highlighted the unique challenges faced in dealing with cartels and similar issues. He suggested the establishment of a dedicated bench by the Supreme Court to address these cases promptly, as inquiries often face stay orders. He further also noted the need for legislative improvements, as their current authority is limited to civil matters, contrasting with the criminal powers held by competition commissions in other countries.

Representatives from anti-corruption Quetta highlighted the absence of specific legislation like the AMLA Act as it is not applicable in their area. They also mentioned the establishment of a Financial Investigation Unit for corruption in Balochistan, which is yet to become operational, stressing the importance of signing an MoU with the FMU.

Representatives from Sindh reported three proposals suggested to the Chief Minister of Sindh. These proposals include automation, granting authorities the ability to take necessary actions, and initiating training programs for officers.

8. Stakeholder Feedback on Anti-Corruption Challenges

(i) Federal Investigation Agency (FIA)

The Federal Investigation Agency (FIA) faces numerous challenges in combating corruption and maintaining security. Below FIA has undertaken an internal review following committee meetings, identifying key challenges and proposing strategic solutions to address them effectively: -

NAB and FIA Jurisdictional Issues

Challenge:

- Overlapping jurisdiction between NAB and the FIA causing confusion and delays.

Proposed Solutions:

- Amend laws for clear mandate definition.
- Establish coordination mechanisms and joint offense lists.
- Provide training on jurisdictional boundaries.

FIA's Efficiency and Conviction Rates

Challenges:

- Inefficient processes hindering effective investigations.
- Low conviction rates impacting deterrence efforts.

Solutions:

- Invest in comprehensive training and technology for FIA personnel.
- Strengthen collaboration with other agencies to streamline operations.
- Strengthen forensic capabilities and establish specialized prosecution units to improve conviction rates.

High Corruption Perception Index

Challenge:

- Weak judiciary, lack of transparency, and high impunity contributing to a negative perception of corruption.

Solutions:

- Empower anti-corruption agencies and enhance oversight to combat corruption effectively.
- Increase transparency, accountability, and public access to information.
- Strengthen financial controls and streamline administrative procedures to prevent corruption.
- Promote digitalization and conduct awareness campaigns to instill a culture of integrity.

(ii) **Anti-Corruption Establishment Balochistan**

Anti-Corruption Balochistan has embarked on an internal assessment subsequent to committee meetings, delineating pivotal challenges and offering strategic remedies to tackle corruption adeptly which are stated below:-

- **Challenge:** Provincial Anti-Corruption Establishment faces difficulty in collecting documentary evidence due to lack of access to NADRA, Banks, FBR, and other relevant authorities.

Recommendation: Federal Government should direct these departments to provide timely record to Provincial Anti-Corruption Establishments.

- Proposal to sign MoU with Punjab Forensic Laboratory for priority chemical analysis testing of cases.
- **Challenge:** Establishment of Financial Investigation Unit in Balochistan is defunct without access to Financial Monitoring Unit (FMU).

Recommendation: Provide access to FMU through MoU.

- MoU suggested with NAB, FIA, and Provincial Anti-Corruption Establishments for intra-agency capacity building trainings to enhance performance and facilitate information sharing.
- Lack of coordination and information sharing between NAB, FIA, and Provincial Anti-Corruption Establishments leads to duplication of investigations. Focal persons appointed for better coordination.
- Proposal to declare Provincial Anti-Corruption establishments as autonomous bodies for more effective functioning and independence.
- Lack of jurisdiction for Provincial Anti-Corruption Establishments to initiate legal action against private persons, especially in cases of cheating the public. Proposal to empower them to take action without the requirement of 100 complainants.
- Mechanism needed for Provincial Anti-Corruption Establishments to issue notices for depositing embezzled amounts by parties involved in corruption cases.

(iii) **Financial Monitoring Unit**

The Financial Monitoring Unit (FMU) of Pakistan, established under the AML Ordinance 2007 (now AML Act, 2010), plays a critical role in combating financial crimes by receiving and analyzing Suspicious Transaction Reports (STRs) and Currency Transaction Reports (CTRs) from financial institutions and designated non-financial entities. Key functions include analyzing reports, referring transactions to law enforcement agencies, maintaining databases, cooperating with international counterparts, and framing regulations. They have proposed reforms below to enhance the organization's effectiveness in combating corruption.

Proposed Reforms

- **Effective Coordination between Federal and Provincial Agencies:**
Establish a robust referral mechanism for transferring corruption cases seamlessly.
- **Modern Investigative Techniques for NAB:**
Embrace modern methods to bolster investigative capacities.
- **Establishment of Research Cell:**
Create a dedicated unit to study evolving corruption trends and money laundering tactics.
- **Utilization of International Cooperation Channels:**
Actively engage in partnerships to identify and repatriate assets acquired through corruption.
- **Comprehensive Training and Capacity-building Programs:**
Provide training on the Mutual Legal Assistance Act 2020 to enhance collaboration and asset recovery efforts.

(iv) Joint Secretary, Sindh High Court Bar Association Karachi, Ghulam Asghar Pathan

After committee meetings, the Sindh High Court Bar Association Karachi presented four proposals along with corresponding solutions which are stated below: -

Proposal 1

Introducing Money Laundering Provisions in Provincial Anti-Corruption Laws

- **Addressing the Challenge:** The proposal aims to combat corruption effectively by detecting and preventing the misuse of public funds.
- **International Obligations:** Aligned with the United Nations Convention against Corruption, emphasizing measures to combat corrupt money.
- **Jurisdictional Gap:** Current laws lack explicit jurisdiction for provincial Anti-Corruption Agencies to address money laundering offenses.

Proposed Solutions

- **Federal Notification:** Suggests federal notification to empower provincial agencies for prosecuting money laundering within anti-corruption laws.
- **Provincial Amendments:** Advocates for amendments in provincial laws to criminalize money laundering within the context of anti-corruption statutes.

Proposal 2

Appointment of Specialized Judges in Anti-Corruption Courts

- **Ensuring Expertise:** Emphasizes the importance of appointing judges with expertise in handling complex corruption cases.
- **Current Shortcomings:** Highlights deficiencies in current judicial appointments, leading to inefficiencies and high pendency rates.

Proposed Solutions

- **Open Appointments:** Proposes open appointments to lawyers with relevant expertise to enhance transparency and judicial efficacy.
- **Criteria Establishment:** Recommends establishing criteria for the appointment of Special Court Judges to ensure competence and specialization.

Proposal 4

Inter-departmental Coordination in Handling Cases

- **Addressing Coordination Challenges:** Highlights the need for effective coordination among departments, particularly in financial crime cases.
- **Current Deficiencies:** Points out gaps in coordination, leading to inefficiencies and potential procedural violations.

Proposed Solutions

- **Mechanism Establishment:** Recommends establishing mechanisms for proper investigation procedures and sharing final investigations to avoid duplication.
- **Legal Compliance:** Aims to ensure compliance with legal guidelines and reduce inefficiencies in the judicial process through better coordination.

Proposal 3

Appointment of Independent Lawyers as Prosecutors

- **Enhancing Prosecution Quality:** Focuses on the critical role of prosecutors in understanding overlapping issues and securing convictions.
- **Challenges with Current System:** Identifies issues such as lack of expertise and underpayment affecting prosecution effectiveness.

Proposed Solutions:

- **Independent Prosecutor Appointment:** Advocates for appointing independent lawyers based on expertise to ensure quality prosecution.
- **Financial Incentives:** Suggests linking financial incentives to asset forfeiture to attract competent prosecutors and enhance performance.

(v) Securities and Exchange Commission Pakistan

The Securities and Exchange Commission of Pakistan (SECP) is actively contributing to the fight against corruption through collaborative efforts with the National Accountability Bureau (NAB). By joining forces with NAB, SECP is enhancing the effectiveness of anti-corruption measures in Pakistan. This partnership signifies a coordinated approach to combat corruption, particularly within the financial and business sectors, where corruption can have significant detrimental effects. SECP's involvement in anti-corruption initiatives underscores the importance of regulatory bodies working together to promote transparency, integrity, and accountability in the country's financial landscape, ultimately aiming to reduce corrupt practices and foster a more ethical business environment.

Proposed Amendments

- Reviewing and updating the Prevention of Corruption Act, 1947 to align with modern requirements.
- Introducing commercial courts to effectively address financial crimes committed by companies.
- Preventing courts from granting stays on investigations initiated by the Securities and Exchange Commission of Pakistan (SECP) without hearing from the SECP, to avoid hindering prosecution and conviction.
- Instituting legislation to protect whistleblowers and cover situations where actions are taken with ulterior motives.
- Adding provisions for civil penalties in Section 496 of the Companies Act, 2017, similar to those in the repealed Companies Ordinance, 1984, to deter false statements.
- Proposing civil penalties for insider trading cases in addition to existing criminal penalties under Section 159 of the Securities Act, 2015.
- Including SECP in the list of investigating or prosecuting agencies under Section 2(XVI) of the Anti-Money Laundering Act, 2010, to address predicate offenses of insider trading and market manipulation.
- Regulating sectors like real estate to prevent corruption.

Proposed Reforms

- Enhancing coordination among law enforcement agencies and government authorities through information sharing technologies.
- Conducting training and capacity building programs for officers engaged in investigating corruption and financial crimes.
- Increasing awareness through various communication channels, including websites, social media, print media, and local language publications.

(vi) Competition Commission of Pakistan

After committee meetings, the Competition Commission of Pakistan presented four proposals along with corresponding solutions which are stated below:-

Jurisdictional Challenges in Addressing Deceptive Marketing Practices

Challenge:

- Encounter challenges due to overlapping regulatory frameworks administered by DRAP, IPO, or PTA.

Proposal:

- Amendment to the Competition Act, 2010, granting explicit overriding authority to CCP over statutes pertaining to DRAP, IPO, and PTA in matters of deceptive marketing practices.

Establishment of Specialized Benches

- Need for specialized benches in high courts and the Supreme Court to address competition-related cases.

Purpose:

- Alleviate court workload, prioritize deferred cases, and promote competitive business activities.

Precedent:

- Company benches in high courts for matters related to the Companies Act, 2017.

Collaboration with National Accountability Bureau (NAB)

- Limited jurisdiction of CCP in addressing corruption.
- **Proposal:**
- Collaborative framework with NAB to bring deterrence capabilities into the private sector and combat corruption.
- **Benefits:** Safeguard public interest and the public exchequer.

Revitalizing the Economy

1. It is of utmost importance to point out that one of the highly prioritized agenda of the Special Investment Facilitation Council is to revitalize the economy. Different sectors of the economy are dominated by a handful of undertakings. These undertakings resort to cartelization instead of competing to provide better services and products.
2. Undertakings in Sugar, Cement, Poultry, Automobile sectors have challenged the Commission's legal framework in the Supreme Court. There are about 170 appeals pending in Supreme Court since 2010.
3. 100+ undertakings have obtained injunctions against Commission's proceedings in various high courts across the country.
4. This has choked the Commission's enforcement ability and performance. While these cases are pending, the aforementioned undertakings are raking billions of rupees.

(vii) **Barrister Ahsan Jamal Pirzada**

Conducted an Analysis over India's Central Bureau of Investigation and United Kingdom's Serious Fraud Office.

Central Bureau of Investigation (CBI): The CBI, established by the Central Government of India, is the country's leading investigation agency. It investigates corruption, economic crimes, and conventional crimes. Similar to Pakistan's National Accountability Bureau (NAB) and other ACIAs, the CBI faces external influence in its investigations and requires government permission to investigate high-ranking officials. The CBI also has the authority to arrest suspects and conduct searches independently. Notably, the CBI has undertaken significant digitization efforts to improve its investigative processes and efficiency, including the automation of document analysis and the implementation of e-governance initiatives. Hansraj Gangram Ahir, former Union Minister of State for Home Affairs, announced these initiatives in 2017.

Serious Fraud Office (SFO): The SFO, a specialist prosecuting authority in the UK, investigates and prosecutes serious bribery, fraud, and corruption cases. While it does not directly relate to Pakistan's NAB, the SFO's operational methodology is somewhat similar to Pakistan's ACIAs. It utilizes advanced technologies like Artificial Intelligence (AI) for document analysis, significantly speeding up investigations and reducing workload. The SFO's digitization efforts have led to improved efficiency, lower costs, and reduced error rates. The SFO announced its adoption of AI technology in April 2018 and the rollout of a novel AI-powered document review system called Axcelerate.

In essence, the CBI and SFO share a similar operational methodology to Pakistan's ACIAs, however, the SFO has international jurisdiction. Pakistan, however, falls short vis-à-vis digitization of its databases and document analysis in comparison to CBI and SFO. The latter two's digitizing its system illustrates the need, rather than luxury, that digitization has become for investigation agencies dealing with a plethora of data in contemporary times.

Proposed Reforms

Non-Partisanship:

- Uphold political impartiality to maintain effectiveness.
- Increase salaries to prevent bribery and ensure fairness.
- Safeguard ACIA officials from threats and intimidation.
- Implement clear appointment criteria based on merit.
- Enact explicit penalties for meddling with politics within ACIAs.

Coordination and Awareness:

- Establish a coordinating body between ACIAs.
- Develop a centralized reporting mechanism for corruption complaints.
- Sign MoUs between ACIAs for cooperation and collaboration.
- Initiate campaigns to educate citizens about jurisdictional mandates.
- Encourage reporting of corruption-related offenses to the appropriate authority.

Internal Accountability:

- Establish special mechanisms for vigilance and internal investigation of ACIA officers.
- Improve the effectiveness of internal investigation units.
- Ensure accountability of ACE officers through robust internal mechanisms.

Transparency and Digitization:

- Prioritize complete disclosure of data by NAB and FIA.
- Utilize e-government systems for transparency and access to information.
- Establish independent websites for ACEs to enhance transparency and detailed reporting.
- Allocate resources for comprehensive digitization efforts within ACIAs.
- Prioritize database digitization to enhance operational efficiency.
- Integrate advanced AI-powered systems for improved performance and resilience.

Proposed Amendments

- **Amendment of Article 260 of the Constitution and Section 21 of the PPC:**
- Amend Article 260 of the Constitution to include elected holders of public office under the definition of public servant.
- Amend Section 21 of the PPC to extend jurisdiction to FIA and ACEs for offences by elected holders of public office.
- Reintroduce a minimum pecuniary value in the NAO to bar NAB from taking cognizance of petty matters.

(viii) Government of Sindh Enquiries & Anticorruption Establishment

The Government of Sindh's Enquiries & Anticorruption Establishment convened an internal committee led by the Special Secretary. Following extensive deliberation, the committee proposed reforms to enhance effectiveness and integrity. Recommendations include creating key positions like Senior Director (Enquiries) and Regional Directors, devolving Deputy Director roles to districts, and establishing a structured operational framework. These measures signify a concerted effort to bolster anticorruption efforts and ensure transparency and accountability in governance.

Proposed Reforms:

- **Creation of Additional Director Position:** One Additional Director (Executive) position at BS-19 level for ACE Headquarters is proposed to support the Senior Director (Enquiries) in administrative operational duties.
- **Assistance at District Level:** Each Deputy Director at the district level will be assisted by two Assistant Directors (Executive) at BS-17 level, with a structured hierarchy of inspectors and sub-inspectors under them.
- **Staff Allocation:** The proposed restructuring includes allocation of ministerial staff to assist Assistant Directors and Deputy Directors in their day-to-day work.
- **Promotion Quota:** It has been decided that 50% of the newly created Regional Director positions will be earmarked for cadre officers, while the other 50% will be filled through promotion quota.
- **Creation of New Positions:** The proposal includes creating a new position of Senior Director (Enquiries) at BS-20 level to oversee administrative and operational duties. Additionally, six Regional Director positions at BS-19 level are suggested for overseeing operational activities in respective divisions.
- **Devolution of Deputy Director Positions:** The restructuring involves devolving the position of Deputy Director to the district level. Each of the 30 districts in Sindh will be led by a Deputy Director from ACE Sindh holding the rank of BS-18.
- **Operational Framework Enhancement:** The proposed restructuring aims to establish a structured operational framework. The Senior Director (Enquiries) at BS-20 level will oversee the operational activities of ACE Sindh, supported by six Regional Directors at BS-19 level. Deputy Directors at BS-18 level will manage operations at the district level.

9. Committee's Recommendations

The task force after conducting a thorough review of the in vogue anti-corruption framework, obtaining feedback from the executing agencies, practitioners, judges and stakeholders from the Civil Society unanimously recommends the following:

- i. FBR to notify draft rules pertaining to **“Declaration of Assets of Civil Servants serving in Basic Pay Scale 17-22 and their spouses.**
- ii. Make amendments in the Civil Servants Act, 1973 to allow for publication of the Assets and Liabilities of Civil Servants.
- iii. Make amendments in the Elections Act to mandate the Non-Elected Advisors and Special Assistants to the Prime Minister to furnish their statement of assets and liabilities.
- iv. Make necessary amendments in the NAB Ordinance and the FIA Act to ensure clear mandate definition, prepare a joint offence list and establish coordination mechanisms between the two agencies to work harmoniously on the offences on which both agencies have jurisdiction.
- v. Provide trainings on Jurisdictional boundaries to officers of the NAB, FIA and the Provincial ACE's.
- vi. Make arrangements for repatriating investigating officers of FIA posted at airports for processing immigration and task the said responsibility to any other force.
- vii. Invest in technology, capacity building and training of the FIA, NAB and the provincial ACE investigators to bring them at par with their regional counterparts.
- viii. Conduct awareness campaigns to instill a culture of integrity among officials and educate the public at large on their right to seek disclosure of public information under the Right to Information Act and on the regulatory framework in place to appropriately report any corrupt practice to the appropriate forum.
- ix. Make provisions for appointment of lawyers on open advertisement based on specific expertise to ensure quality prosecution on technically challenging matters and also make

way for appointment of independent members of the legal fraternity in special courts on judicial assignments.

- x. Empower Provincial Anti-Corruption Establishments to handle money laundering cases at the provincial level.
- xi. Establish a central coordination forum for assistance in investigation, forensics, intelligence sharing and addressing jurisdictional issues.
- xii. Ensure that Chief Internal Auditor's are appointed within the Ministries/ Divisions as required by the Public Finance Management Act.
- xiii. Ensure strict compliance with the State-Owned Enterprises (Governance and Operations) Act, 2023 and ensure that Government entities are run in line with section 36 of Public Finance Management Act, 2019.

Conclusion

The taskforce was cognizant of the fact that establishment of an efficient anti-corruption regime and addressing the above said issues for a country the size of Pakistan in not going to be a short-term process and would require continuous efforts in reviewing structures and the processes involved. This Division remains resolved for the long haul involved and would simultaneously be working along with the newly elected government in overhauling the legal framework in vogue where deemed necessary and the findings of this taskforce would function as a beacon for lighting our way forward in terms of addressing the issues within our Anti- Corruption framework.

Usman Lali

Barrister Usman Ali Lali

Secretary Taskforce

3.04.2024

